

Calendar No. 454

109TH CONGRESS
2D SESSION

S. 1950

To promote global energy security through increased cooperation between the United States and India in diversifying sources of energy, stimulating development of alternative fuels, developing and deploying technologies that promote the clean and efficient use of coal, and improving energy efficiency.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 1, 2005

Mr. LUGAR introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

MAY 25, 2006

Reported by Mr. LUGAR, with amendments

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To promote global energy security through increased cooperation between the United States and India in diversifying sources of energy, stimulating development of alternative fuels, developing and deploying technologies that promote the clean and efficient use of coal, and improving energy efficiency.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “United States-India
3 Energy Security Cooperation Act of ~~2005~~ 2006”.

4 **SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) The December 2004 National Intelligence
7 Council report entitled “Mapping the Global Future
8 in 2020” states that the single most important fac-
9 tor affecting the demand for energy will be global
10 economic growth, especially that of China and India.
11 It is estimated that the current economic growth
12 rate in India is approximately 7 percent of gross do-
13 mestic product. India will need to double its energy
14 consumption within the next 15 years to maintain
15 steady rates of economic growth.

16 (2) The United States and India launched an
17 energy dialogue on May 31, 2005, aimed at building
18 upon a broad range of existing energy cooperation
19 and developing new avenues of collaboration on en-
20 ergy. These efforts will promote increased trade and
21 investment in the energy sector by utilizing re-
22 sources in the public and private sectors, focusing on
23 oil and gas, power and energy efficiency, new tech-
24 nologies and renewable energy, coal and clean coal
25 technology, and civil nuclear cooperation. In his tes-
26 timony before the Committee on Foreign Relations

1 of the Senate on July 26, 2005, Under Secretary of
2 Energy David Garman said, “The United States and
3 India recognize their mutual interests are best
4 served by working together in a collaborative fashion
5 to ensure stability in global energy markets.”.

6 (3) As the sixth largest energy consumer in the
7 world, India satisfies 70 percent of its oil demand
8 with imports and has embarked on an aggressive oil
9 and gas exploration program. The largest discovery
10 of natural gas in the world in 2002 occurred in
11 India. In 2003, the largest discovery of oil in the
12 world occurred in the state of Rajasthan in India.
13 External funding and investment in the oil and gas
14 industry in India is necessary to maximize recovery
15 from oil fields, but an improved investment environ-
16 ment in India is needed to attract such investment.

17 (4) India is the world’s third largest producer
18 of coal and will continue to rely on coal as a major
19 energy source to support expanding industrial and
20 electric power generation needs. However, many of
21 India’s coal-fired plants are inefficient and lack ade-
22 quate pollution control equipment. In his address to
23 a joint session of the United States Congress on
24 July 19, 2005, Prime Minister of India Manmohan
25 Singh noted the importance of allowing greater ac-

1 cess for developing countries to clean coal tech-
2 nologies and of exploring partnerships that encour-
3 age more efficient use of hydrocarbon resources.

4 (5) India provides a market for United States
5 technologies that promote the clean and efficient use
6 of energy.

7 (6) India has announced plans to develop a
8 5,000,000 ton strategic crude oil reserve, which is
9 expected to be completed by 2009.

10 (7) United States energy experts have empha-
11 sized the need for the United States to increase col-
12 laboration with other countries—

13 (A) to develop and deploy energy tech-
14 nologies that will not be pursued absent greater
15 Federal support;

16 (B) to increase investment in cooperative
17 international energy research; and

18 (C) to expand the global network of stra-
19 tegic petroleum reserves.

20 **SEC. 3. STATEMENT OF POLICY.**

21 It is the policy of the United States—

22 (1) to cooperate with India to address common
23 energy challenges, to ensure future global energy se-
24 curity, and to increase the world-wide availability of
25 clean energy;

1 (2) to promote dialogue and increased under-
 2 standing between the United States and India on
 3 our respective national energy policies and strategies
 4 as an integral part of the expanding strategic part-
 5 nership between the two countries; and

6 (3) to collaborate with India in energy research
 7 that fosters market-based approaches to energy se-
 8 curity and offers the promise of technological break-
 9 throughs that reduce oil dependency globally.

10 **SEC. 4. ASSISTANCE TO SUPPORT ENERGY COOPERATION.**

11 (a) **AUTHORIZATION.**—The President is authorized to
 12 establish programs in support of greater energy coopera-
 13 tion between the United States and India.

14 (b) **ACTIVITIES.**—Assistance may be provided under
 15 this section for cooperation related to—

16 (1) research, development, and deployment of
 17 clean coal and emission reduction technologies and
 18 carbon sequestration projects;

19 (2) research, development, and deployment of
 20 alternative fuel sources, such as ethanol, bio-mass,
 21 *and* coal-based fuels, ~~and hydrogen;~~

22 (3) research, development, and deployment of
 23 energy efficiency projects;

1 (4) research related to commercially available
2 technologies that promote the clean and efficient use
3 of energy in India; and

4 (5) technical assistance in support of the devel-
5 opment by the Government of India of a strategic oil
6 reserve to allow India to cope with short-term dis-
7 ruptions to global oil supplies without causing
8 shocks to India's market or the global market.

9 **SEC. 5. REPORT ON ENERGY COOPERATION.**

10 (a) IN GENERAL.—Not later than 180 days after the
11 date of the enactment of this Act, the Secretary of State
12 shall, in coordination with the Secretary of Energy, submit
13 to the Committee on Foreign Relations and the Committee
14 on Energy and Natural Resources of the Senate and the
15 Committee on Energy and Commerce and the Committee
16 on International Relations of the House of Representa-
17 tives a report on energy security cooperation between the
18 United States and India.

19 (b) CONTENT.—The report required under subsection
20 (a) shall describe—

21 (1) the ways in which the United States and
22 India have cooperated on energy research and devel-
23 opment activities;

24 (2) joint projects that have been initiated using
25 assistance authorized under section 4, and the con-

1 tribution such assistance has made to improving
2 global energy security; and
3 (3) plans for future energy cooperation and
4 joint projects between the United States and India.

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